

CableFAX Daily™

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What the Industry Reads First

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New Rules: More Political Ad Money for Cable, New VOD Momentum

Thurs' landmark 5-4 Supreme Court decision overturning a corporation and labor union spending ban on campaign spending should no doubt result in a boost in 2010 political ad dollars. "I think the only question now is, 'how high is up,'" **CAB** pres/CEO *Sean Cunningham* said. "I think the effects are going to be immediate... We're already looking at hotly contested races, where you can expect strong spending. I think this kind of tears the lid off it." Others share his optimism. "2010 has started off as a much better year than 2009, just because our core business is starting to come back," said *Sharon Frazier*, vp, sale for **Cox Media**. "We already had ambitious political goals laid in for the year based on 2006 and 2008. This ruling today—we're really excited about it, and we're looking for a major increase, especially in advocacy spending." *Tim Kay*, dir of political strategy at spot cable firm **NCC**, thinks the real impact will probably be more toward the general election timeframe, when the immediate weight of some of these elections will be felt. The SCOTUS case stems from a documentary called "Hillary, the Movie," made by political operative *David Bossie*. The attempt by Bossie's group, **Citizens United**, to show the movie on VOD through NCC's **Elections '08** channel in the pre-election window was thwarted by the **Federal Election Commission**, which found it violated campaign finance reform laws because the group received some corporate money for the film. Thurs' decision, which hangs on 1st Amendment protection, overturns a 20-year-rule prohibiting corporations from using money from their general treasuries to pay for their own campaign ads (direct contributions to candidates are still a no-no, and disclosures are still required). In addition to more traditional political ad spends, it opens up more political VOD advertising—including documentaries. "This enables candidates to use television on demand and enables corporations and unions to use Television On Demand to specifically discuss the issues that might surround individual candidates by name," said *Bob Carlstrom*, NCC's vp, political marketing. "This is a very, very significant case, which counsel needs to review and also as an industry we need to examine it. But what it does is take Television On Demand into the mainstream of protected 1st Amendment political activity." In other words, it gets treated the same as books, pamphlets, blogs, etc, in terms of free speech. In writing the majority opinion, Justice *Anthony Kennedy* said that the movie "Mr Smith Goes to Washington" could have been banned under the FEC's rationale. "After all, it, like 'Hillary,' was speech funded by a corporation that was critical of Members of Congress. 'Mr. Smith Goes to Washington' may be fiction and caricature; but fiction

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and caricature can be a powerful force,” he wrote. One upshot is that the ruling could really put VOD on the political spending map—something cable’s been pushing. “As more and more members of Congress and candidates become aware of [VOD], they’re very intrigued by it,” Carlstrom said. “This case, I think, has a very important signaling value in the development of On Demand as perhaps the new medium for campaign communications. It’s an incredible complement to spot cable micro targeted advertising, where candidates can target voters and also direct them to On Demand for more extensive discussion.” Campaign finance reform advocates are obviously displeased, and Pres *Obama* said he’ll ask Congress for legislation to address the ruling—calling it a “green light to a new stampede of special interest money in our politics.”

Eat Up: HGTV and Food returned to Cablevision Thurs afternoon, with a deal finally reached. The Scripps Interactive Nets’ channels had been dark since 12:01am Jan 1, with the 2 unable to agree on the financials of a renewal. The spat has impacted 3mln CVC subs in NY, NJ and CT. Neither side was talking specifics, and few details were available at presstime. “We’d like to thank our customers for their patience and understanding as we worked with Scripps to reach an agreement that is fair,” said *John Bickham*, Cablevision’s pres of cable & communications. Scripps Nets pres *John Lansing* called Cablevision “a valued distribution partner and we’re gratified that together we were able to reach a successful conclusion that will benefit their customers and viewers of our networks.”

In the States: All calls placed by Time Warner Cable digital phone subs to Haiti are free through Feb. TWC estimates the program, which is retroactive to Jan 12, will provide \$200K worth of relief. -- Comcast is talking to partners about offering a music streaming service that would let users stream on-demand music online via a Website and on their TVs via set tops, reports the *Washington Post*, citing sources. The paper says the optional service would cost \$5 or more/month.

On the Hill: The House Communications subcmte approved a bill Thurs that would analyze how the govt’s airwaves are used by the public and private sector. The bill, which still has a ways to go, is considered an important step as the FCC searches for additional spectrum for wireless services.

At the Portals: The FCC launched an initiative to examine the future of media, issuing a public notice with preliminary questions it will consider as it prepares a report on the future of media in the digital age. Topics under consideration include the state of TV, radio, newspaper and Internet; the effectiveness of public interest obligations in a digital era and the role of public media and private sector foundations. The public can weigh in at www.FCC.gov/Futureof-Media. Also on Thurs, Republican commissioner *Meredith Attwell Baker* gave a Media Institute speech, saying the govt needs to stay out of trying to fix journalism. As for the FCC’s review, she hopes consolidation isn’t viewed as a dirty word, adding that it’s not always a good thing either. -- The tentative agenda for the FCC’s Feb 11 meeting includes an NPRM to reform the ex parte rules as well as the ubiquitous National Broadband Plan status report.

In the States: Time Warner Cable touted the Wed rollout of its Clear-based Road Runner Mobile broadband service in San Antonio with an event featuring *Danica Patrick* and Spurs guard *Manu Ginobili*. The MSO also offers the service in Dallas-Fort Worth and 3 NC markets.

Online: Comcast SportsNet Philly tipped off a mid-season offer for Sixers Live, its service offering Comcast subs who receive the net live streams of 76ers games at CSNPhilly.com, and is featuring a free online preview of the service during Wed’s game against the Bucks. A new package covering the team’s remaining ’09-’10 games on CSN and The Comcast Network is available for \$30, whereas typical pricing runs \$76/season or \$17.76/30days. -- The Weather Channel and Universal Sports are among the new content partners of independent video ent site Metacafe. -- Comcast Interactive Media, Rainbow Media and Disney Interactive Media Group are among the new members of the Online Publishers Assoc, a trade org bent on advancing the ad and legislative interests of Internet content publishers.

VOD: Avail-TVN agreed to provide premium net Epix with the technological capability, pending carriage agreements, to offer on-demand content to more than 48mln VOD homes through every service provider in North America.

Technology: Boxee, whose software enables access to Internet content through TV screens and which plans a branded set top, plans to feature this summer a payment platform letting content partners sell whatever programming they want, at any price, including PPV and subscription modes. In turn, Boxee will charge a fee for each transaction.

Programming: Adult Swim picked up “Robot Chicken” for an unprecedented 2-season, 40 ep (seasons 5 & 6). The *Seth*

BUSINESS & FINANCE

Green/Matthew Senreich series is the highest-rated original series on the net. -- **Nick** launches "Team Umizoomi," a preschool series focused entirely on math, Mon, 11:30am. -- Amid **NASCAR**-related content ramps both on-air and online, **Speed** inked a deal to become the official TV home of the NASCAR Hall of Fame Induction Ceremony, and will offer live coverage of special events leading to the annual inductions. -- **Fox Business Net** and **Tennis Channel** agreed to swap live daily updates of stock market moves and on-court action during this year's Grand Slam events. -- **Disney XD's** original animated comedy series "Kick Buttowski-Suburban Daredevil" (Feb 13) chronicles a kid's desire to become the world's best daredevil, and the net's inviting viewers to submit at **DisneyXD.com** catch phrases for the show, some of which may appear on-air. -- **TNT** greenlit originals "Rizzoli & Isles" (wt), based on *Tess Gerritsen's* mystery novels and starring *Angie Harmon*, and an alien invasion series from **DreamWorks TV** and *Steven Spielberg*. -- **A&E** and **Bio** will simulcast "Private Sessions: Songs for Haiti" on Sun (8-10am) to raise awareness for relief efforts in Haiti.

People: **Turner Sports** upped *John Cooper* to svp/assoc general counsel. -- Scripps Nets tapped *Greg Regis* as svp, ad sales for **Travel Channel**. -- **Arbitron** appointed former **Nielsen Media Research** chmn/pres/CEO *John Dimling* a board member.

CableFAX Daily Stockwatch

Company	01/21 Close	1-Day Ch	Company	01/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.01	(0.73)	AMPHENOL:	42.50	(1.6)
DIRECTV:	32.13	(1.05)	AOL:	24.40	(0.53)
DISH:	19.11	(0.77)	APPLE:	208.07	(3.65)
DISNEY:	30.61	(0.58)	ARRIS GROUP:	11.21	0.02
GE:	16.02	(0.48)	AVID TECH:	12.69	(0.47)
NEWS CORP:	15.18	(0.29)	BIGBAND:	3.25	(0.08)
MSOS					
CABLEVISION:	26.49	(0.52)	BLNDER TONGUE:	1.16	0.06
COMCAST:	16.00	(0.52)	BROADCOM:	29.49	0.06
COMCAST SPCL:	15.30	(0.5)	CISCO:	23.98	(0.43)
GCI:	5.87	(0.18)	CLEARWIRE:	7.23	(0.01)
KNOLGY:	11.14	(0.04)	COMMSCOPE:	29.46	(0.05)
LIBERTY CAPITAL:	25.05	0.11	CONCURRENT:	3.89	(0.11)
LIBERTY GLOBAL:	24.00	(0.36)	CONVERGYS:	11.31	(0.2)
LIBERTY INT:	10.95	(0.04)	CSG SYSTEMS:	18.04	(0.41)
MEDIACOM:	4.29	(0.21)	ECHOSTAR:	19.32	(0.03)
RCN:	9.65	(0.28)	GOOGLE:	582.98	2.57
SHAW COMM:	19.37	(0.18)	HARMONIC:	6.39	0.05
TIME WARNER CABLE:	44.88	(1.68)	INTEL:	20.84	(0.24)
VIRGIN MEDIA:	15.66	(1.03)	JDSU:	8.49	(0.14)
WASH POST:	446.82	4.01	LEVEL 3:	1.44	0.06
PROGRAMMING					
CBS:	13.20	(0.36)	MICROSOFT:	30.01	(0.57)
CROWN:	1.40	(0.09)	MOTOROLA:	7.37	(0.11)
DISCOVERY:	31.81	(0.34)	OPENTV:	1.51	0.00
GRUPO TELEVISA:	19.84	(0.33)	PHILIPS:	29.05	(0.29)
HSN:	18.92	(0.44)	RENTRAK:	17.30	(0.71)
INTERACTIVE CORP:	20.90	(0.71)	SEACHANGE:	6.38	(0.1)
LIBERTY:	37.19	(0.41)	SONY:	34.36	1.11
LIBERTY STARZ:	49.98	(0.11)	SPRINT NEXTEL:	3.46	(0.09)
LIONSGATE:	5.45	(0.05)	THOMAS & BETTS:	34.10	(0.74)
LODGENET:	6.07	(0.13)	TIVO:	10.42	(0.15)
NEW FRONTIER:	2.08	0.01	TOLLGRADE:	6.22	(0.11)
OUTDOOR:	5.36	(0.01)	UNIVERSAL ELEC:	24.80	(0.31)
PLAYBOY:	3.50	0.04	VONAGE:	1.56	0.02
RHI:	0.43	0.00	YAHOO:	16.20	(0.18)
SCRIPPS INT:	44.43	(1.29)	TELCOS		
TIME WARNER:	28.06	(0.56)	AT&T:	25.67	(0.16)
VALUEVISION:	4.39	(0.32)	QWEST:	4.38	(0.08)
VIACOM:	32.11	(0.41)	VERIZON:	30.63	(0.08)
WWE:	15.84	(0.41)	MARKET INDICES		
TECHNOLOGY					
3COM:	7.59	0.03	DOW:	10389.88	(213.27)
ADC:	6.47	(0.03)	NASDAQ:	2265.70	(25.55)
ADVANTAGE:	2.25	0.10			
ALCATEL LUCENT:	3.45	(0.14)			
AMDOCS:	29.88	1.36			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Sequel to a New Business Model

More changes are coming to the film industry (and cable) with the impending sale of **MGM**. Movies are now unceremonious parts of the expansive content pools in which big cable entities such as **Time Warner**, **News Corp** and soon **Comcast** are wading, searching for effective monetization strategies. With the MGM bidding process comes key questions centered on possible alterations to **MGM HD**, the ownership structure of **Epix** and the studio's VOD agreements with multichannel ops including current part-owner Comcast. The MSO has already written off its 20% stake in the studio and, given the depth of MGM's financial woes, expects to reap nothing from the sale. But Comcast does allow that its **Impact** VOD channel partnership with MGM—good for several more years—could dissolve. **Lionsgate** and **Time Warner** appear to be serious bidders, and although names such as **Liberty Media** and even **AT&T** have been bandied as interested parties, I believe 1 of the former 2 will emerge as the new owner of MGM. Gaga over cable in recent months, Lionsgate already owns **TV Guide Net** and is a partner of Epix, so a pickup of MGM would give it an HD cable channel and, ostensibly, majority control of Epix as well. Plus, it could come away with a massive film library to augment its own, proffering increased monetization options and leverage. The same movie argument works for Time Warner too, but with a twist. The co's **New Line** segment owns a partnership with MGM covering the productions of 2 films based on *The Hobbit*, a story closely related to Warner Bros smashing "Lord of the Rings" trilogy. Plus, TWX has more than ample cash to pull the trigger. *CH*

Highlights: "Damages," season III debut, Mon, 10p, **FX**. One of cable's finest and most complicated series is more accessible as it begins its critical 3rd season (even the best dramas begin to lose fans at this point, FX chief *John Landgraf* says). To avoid that, "Damages" largely is self-contained this season and sketches a drama around a *Madoff*-like family. *Machiavelli's* mistress, aka Patty Hewes (*Glenn Close*), is the court-appointed trustee, seeking justice (and money) for the victims. An opening montage is exciting, but difficult to follow, as are the opening ep's flashbacks. *SA*

Worth a Look: "Mexican Made Easy," pilot, Sat, 9:30a, **Food**. Kudos to Food for letting *Marcela Valladolid* delightfully defuse any concerns subs might have about Mexican cooking. -- "Spartacus: Blood and Sand," pilot, Fri, 10p, **Starz**. Perhaps to justify its "Blood and Sand" tagline, Starz douses its "300"-style opener in buckets of theatrical blood, not to mention a bevy of supple, naked bodies. Hang in there; its creators say "Spartacus" will change our perception of Roman slavery. Indeed, ep 2 delivers much better drama, acting and less blood. -- "Cantore Stories," Sun, 10p ET, **Weather**. Been too cold for you? *Jim Cantore* visits International Falls, MN, where it's freezing or below 200 days/yr. Yet, the natives revel in it, celebrating outdoors in Jan at -40. *SA*

Notable: "Hope for Haiti," Fri, 8pm (many channels). *Beyonce*, *Madonna*, *Jon Stewart* and others pitch in. *SA*

Basic Cable Rankings			
(1/11/09-1/17/09)			
Mon-Sun Prime			
1	USA	2	1976
2	FOXN	1.8	1802
3	DSNY	1.7	1668
4	NAN	1.6	1577
4	TNT	1.6	1567
6	A&E	1.3	1257
7	TBSC	1.2	1176
7	FAM	1.2	1156
9	FX	1.1	1026
10	ESPN	1	1006
10	TOON	1	978
10	HGTV	1	964
10	TRU	1	890
14	CNN	0.9	918
14	DISC	0.9	888
14	LIFE	0.9	887
14	HIST	0.9	855
14	AMC	0.9	855
14	HALL	0.9	794
20	FOOD	0.8	806
20	MTV	0.8	774
20	SPK	0.8	770
20	SYFY	0.8	742
20	NKJR	0.8	567
25	TLC	0.7	737
25	LMN	0.7	539
27	CMDY	0.6	622
27	VH1	0.6	575
27	MSNB	0.6	539
27	BRAV	0.6	531
27	NGC	0.6	396
32	TVLD	0.5	528
32	BET	0.5	479
32	APL	0.5	464
32	EN	0.5	454
32	OXYG	0.5	408
32	ID	0.5	278
38	HLN	0.4	426
38	TRAV	0.4	389
38	ESP2	0.4	364
38	CMT	0.4	316
38	WGNA	0.4	310
38	SOAP	0.4	266
38	GSN	0.4	254
45	DXD	0.3	238
45	WE	0.3	224

*Nielsen data supplied by ABC/Disney

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